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RR RUEHWEB

DE RUEHYE #0603 1311149  
ZNY SSSSS ZZH  
R 111149Z MAY 07  
FM AMEMBASSY YEREVAN  
TO RUEHC/SECSTATE WASHDC 5547  
INFO RUEATRS/DEPT OF TREASURY WASHDC 0503

S E C R E T YEREVAN 000603

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DEPT FOR EUR/CARC, NEA, AND ISN - JCHALMERS, ARUGGIERO

E.O. 12958: DECL: 05/11/2017  
TAGS: [EFIN](#) [PARM](#) [KNNP](#) [IR](#) [AM](#)  
SUBJECT: ARMENIA SLOW TO IMPLEMENT BANK SEPAH ASSET FREEZE

REF: A) STATE 60238 B) YEREVAN 383

Classified By: Econ Off E. Pelletreau for reasons 1.4 (b,d).

¶1. (S) Per ref A, on May 8 we met with Financial Intelligence Unit (FIU) Head at the Armenian Central Bank Nerses Yeritsyan to discuss what steps Armenia had taken to implement UNSCR 1747 and specific actions taken against Sepah Bank. Yeritsyan confirmed that Sepah Bank maintains correspondent accounts with Mellat Bank in Armenia, but said that the accounts were largely inactive. He said that in order to provide information about specific transactions between the two banks, he would need a written request from FinCen. None of the transactions, however, since the passage of UNSCR 1747 had exceeded the suspicious transaction threshold under Armenian law of AMD 20 million (approximately USD 55,500) and there was no evidence of asset flight.

¶2. (S) We told Yeritsyan that Armenia is obligated under UNSCR 1747 to freeze any assets owned or controlled by Bank Sepah. He responded that under current Armenian legislation, the FIU can freeze assets of entities identified on the UN Terrorism Finance Consolidated List, but that Sepah Bank was not on that list and that UNSCR 1747 was about nonproliferation not specifically terrorism finance. He added that the Central Bank had referred the Sepah Bank situation to the MFA for guidance on how to implement UNSCR 1747 given the limitations in Armenia's domestic legislation.

¶3. (S) On May 11, Embassy Charge met with Deputy Foreign Minister Kirakossian and MFA Director of Arms Control and Security Armen Yedigarian to underscore that UNSCR 1747 obliged Armenia to freeze Bank Sepah's assets and those of other listed entities. We urged the MFA to immediately instruct the FIU to freeze Bank Sepah's assets and take all other necessary steps to fully implement UNSCRs 1747 and ¶1737. Kirakossian agreed to look into the matter. We will follow up with the FIU next week and report any new developments.  
GODFREY